

1-1 By: Perry (Senate Sponsor - Seliger) H.B. No. 2688
 1-2 (In the Senate - Received from the House May 6, 2013;
 1-3 May 7, 2013, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 14, 2013, reported adversely,
 1-5 with favorable Committee Substitute by the following vote: Yeas 5,
 1-6 Nays 0; May 14, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			

1-14 COMMITTEE SUBSTITUTE FOR H.B. No. 2688 By: Nichols

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the Seminole Hospital District of Gaines County, Texas,
 1-18 and to the fiscal year of the Dallam-Hartley Counties Hospital
 1-19 District.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 1018.155(b), Special District Local Laws
 1-22 Code, is amended to read as follows:

1-23 (b) The fiscal year may not be changed[+
 1-24 ~~[(1) during the time revenue bonds of the district are~~
 1-25 ~~outstanding; or~~
 1-26 ~~[(2)]~~ more than once in a 24-month period.

1-27 SECTION 2. Section 1094.051, Special District Local Laws
 1-28 Code, is amended to read as follows:

1-29 Sec. 1094.051. BOARD ELECTION; TERM. (a) The board
 1-30 consists of four directors elected from single-member districts and
 1-31 three ~~[seven]~~ directors elected from the district at large.

1-32 (b) Directors ~~[Unless four-year terms are established under~~
 1-33 ~~Section 285.081, Health and Safety Code, directors]~~ serve staggered
 1-34 three-year ~~[two-year]~~ terms.

1-35 SECTION 3. Section 1094.052, Special District Local Laws
 1-36 Code, is amended to read as follows:

1-37 Sec. 1094.052. NOTICE OF ELECTION. Notice ~~[At least 10 days~~
 1-38 ~~before the date]~~ of an election of directors~~[, notice of the~~
 1-39 ~~election]~~ shall be published in accordance with Section 4.003,
 1-40 Election Code, ~~[one time]~~ in a newspaper of general circulation in
 1-41 Gaines County.

1-42 SECTION 4. Section 1094.053, Special District Local Laws
 1-43 Code, is amended to read as follows:

1-44 Sec. 1094.053. BALLOT APPLICATION ~~[PETITION]~~. A person who
 1-45 wants to have the person's name printed on the ballot as a candidate
 1-46 for director must file with the board secretary an application in
 1-47 accordance with Chapter 144, Election Code ~~[a petition requesting~~
 1-48 ~~that action. The petition must be:~~

1-49 ~~[(1) signed by at least 25 voters; and~~
 1-50 ~~[(2) filed at least 25 days before the date of the~~
 1-51 ~~election].~~

1-52 SECTION 5. Section 1094.103, Special District Local Laws
 1-53 Code, is amended to read as follows:

1-54 Sec. 1094.103. OVERSIGHT AND ~~[MANAGEMENT]~~ CONTROL ~~[, AND~~
 1-55 ~~ADMINISTRATION]~~. The board shall oversee and ~~[manage]~~ control ~~[, and~~
 1-56 ~~and administer]~~ the hospital system and the district's money and
 1-57 resources.

1-58 SECTION 6. Section 1094.110, Special District Local Laws
 1-59 Code, is amended to read as follows:

1-60 Sec. 1094.110. CONSTRUCTION ~~[OR PURCHASE]~~ CONTRACTS. A

2-1 construction [~~or purchase~~] contract that involves the expenditure
2-2 of more than the amount provided by Section 271.024, Local
2-3 Government Code, [~~\$2,000~~] may be made only after advertising in the
2-4 manner provided by Subchapter B, Chapter 271 [~~Chapter 252 and~~
2-5 ~~Subchapter C, Chapter 262~~], Local Government Code.

2-6 SECTION 7. Sections 1094.202(c) and (d), Special District
2-7 Local Laws Code, are amended to read as follows:

2-8 (c) Any resident [~~property taxpayer~~] of the district is
2-9 entitled to be present and participate at the hearing.

2-10 (d) At the conclusion of the hearing, the board shall adopt
2-11 a budget by acting on the budget proposed by the district
2-12 administrator. The board may make any changes in the proposed
2-13 budget that the board judges to be in the interest of the residents
2-14 of the district [~~taxpayers~~] and that the law warrants.

2-15 SECTION 8. Section 1094.205, Special District Local Laws
2-16 Code, is amended to read as follows:

2-17 Sec. 1094.205. FISCAL YEAR. (a) The district operates
2-18 according to a fiscal year that begins on October 1 and ends on
2-19 September 30, or as established by the board.

2-20 (b) The fiscal year may not be changed if revenue bonds of
2-21 the district are outstanding or more than once in a 24-month period.

2-22 SECTION 9. Section 1094.209(a), Special District Local Laws
2-23 Code, is amended to read as follows:

2-24 (a) The board shall select one or more banks [~~in the~~
2-25 ~~district~~] to serve as a depository for district money.

2-26 SECTION 10. Section 1094.253(b), Special District Local
2-27 Laws Code, is amended to read as follows:

2-28 (b) The order calling the election shall provide for clerks
2-29 as in county elections and must specify:

- 2-30 (1) the date of the election;
- 2-31 (2) the location of the polling places;
- 2-32 (3) the presiding and alternate election judges for
2-33 each polling place;
- 2-34 (4) the amount of the bonds to be authorized; and
- 2-35 (5) the maximum maturity [~~interest rate~~] of the bonds.

2-36 SECTION 11. Section 1094.254, Special District Local Laws
2-37 Code, is amended to read as follows:

2-38 Sec. 1094.254. MATURITY OF GENERAL OBLIGATION BONDS.
2-39 District general obligation bonds must mature not later than the
2-40 maximum maturity stated in the order calling the election [~~40 years~~
2-41 ~~after the date of issuance~~].

2-42 SECTION 12. Subchapter F, Chapter 1094, Special District
2-43 Local Laws Code, is amended by adding Section 1094.259 to read as
2-44 follows:

2-45 Sec. 1094.259. ADDITIONAL MEANS OF SECURING REPAYMENT OF
2-46 BONDS. In addition to the authority to issue general obligation
2-47 bonds and revenue bonds under this subchapter, the board may
2-48 provide for the security and payment of district bonds from a pledge
2-49 of a combination of ad valorem taxes as authorized by Section
2-50 1094.252 and revenue and other sources as authorized by Section
2-51 1094.256.

2-52 SECTION 13. Subchapter F, Chapter 1094, Special District
2-53 Local Laws Code, is amended by adding Section 1094.260 to read as
2-54 follows:

2-55 Sec. 1094.260. USE OF BOND PROCEEDS. The district may use
2-56 the proceeds of bonds issued under this subchapter to pay:

- 2-57 (1) any expense the board determines is reasonable and
2-58 necessary to issue, sell, and deliver the bonds;
- 2-59 (2) interest payments on the bonds during a period of
2-60 acquisition or construction of a project or facility to be provided
2-61 through the bonds, not to exceed five years;
- 2-62 (3) costs related to the physical maintenance of a
2-63 project or facility to be provided through the bonds:
 - 2-64 (A) during an estimated period of acquisition or
2-65 construction, not to exceed five years; and
 - 2-66 (B) for one year after the project or facility is
2-67 acquired or constructed;
- 2-68 (4) costs related to the financing of the bond funds,
2-69 including debt service reserve and contingency funds;

3-1 (5) costs related to the issuance of the bonds;
3-2 (6) costs related to the acquisition of land or
3-3 interests in land for a project or facility to be provided through
3-4 the bonds; and
3-5 (7) costs of construction of a project or facility to
3-6 be provided through the bonds, including the payment of related
3-7 professional services and expenses.
3-8 SECTION 14. Section 1094.303, Special District Local Laws
3-9 Code, is amended to read as follows:
3-10 Sec. 1094.303. ASSESSMENT AND COLLECTION OF TAXES [~~BY~~
3-11 ~~COUNTY TAX ASSESSOR-COLLECTOR~~]. The board may provide for the
3-12 appointment of a tax assessor-collector for the district or may
3-13 contract for the assessment and collection of taxes as provided by
3-14 the Tax Code. [~~(a) This section applies unless the board elects to~~
3-15 have taxes assessed and collected under Section 1094.304.
3-16 [~~(b) The tax assessor-collector of Gaines County shall~~
3-17 assess and collect taxes imposed by the district.]
3-18 SECTION 15. Chapter 1094, Special District Local Laws Code,
3-19 is amended by adding Subchapter H to read as follows:
3-20 SUBCHAPTER H. DISSOLUTION
3-21 Sec. 1094.401. DISSOLUTION; ELECTION. (a) The district may
3-22 be dissolved only on approval of a majority of the district voters
3-23 voting in an election held for that purpose.
3-24 (b) The board may order an election on the question of
3-25 dissolving the district and disposing of the district's assets and
3-26 obligations.
3-27 (c) The order calling the election must state:
3-28 (1) the nature of the election, including the
3-29 proposition to appear on the ballot;
3-30 (2) the date of the election;
3-31 (3) the hours during which the polls will be open; and
3-32 (4) the location of the polling places.
3-33 Sec. 1094.402. NOTICE OF ELECTION. (a) The board shall give
3-34 notice of an election under this subchapter by publishing once a
3-35 week for two consecutive weeks a substantial copy of the election
3-36 order in a newspaper with general circulation in the district.
3-37 (b) The first publication of the notice must appear not
3-38 later than the 35th day before the date set for the election.
3-39 Sec. 1094.403. BALLOT. The ballot for an election under
3-40 this subchapter must be printed to permit voting for or against the
3-41 proposition: "The dissolution of the Seminole Hospital District of
3-42 Gaines County, Texas."
3-43 Sec. 1094.404. ELECTION RESULTS. (a) If a majority of the
3-44 votes in an election under this subchapter favor dissolution, the
3-45 board shall find that the district is dissolved.
3-46 (b) If a majority of the votes in the election do not favor
3-47 dissolution, the board shall continue to administer the district
3-48 and another election on the question of dissolution may not be held
3-49 before the first anniversary of the date of the most recent election
3-50 to dissolve the district.
3-51 Sec. 1094.405. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
3-52 If a majority of the votes in the election held under this
3-53 subchapter favor dissolution, the board shall:
3-54 (1) transfer the land, buildings, improvements,
3-55 equipment, and other assets that belong to the district to Gaines
3-56 County or another governmental entity in Gaines County; or
3-57 (2) administer the property, assets, and debts until
3-58 all money has been disposed of and all district debts have been paid
3-59 or settled.
3-60 (b) If the district makes the transfer under Subsection
3-61 (a)(1), the county or entity assumes all debts and obligations of
3-62 the district at the time of the transfer, and the district is
3-63 dissolved.
3-64 (c) If Subsection (a)(1) does not apply and the board
3-65 administers the property, assets, and debts of the district under
3-66 Subsection (a)(2), the district is dissolved when all money has
3-67 been disposed of and all district debts have been paid or settled.
3-68 Sec. 1094.406. IMPOSITION OF TAX AND RETURN OF SURPLUS
3-69 TAXES. (a) After the board finds that the district is dissolved,

4-1 the board shall:
4-2 (1) determine the debt owed by the district; and
4-3 (2) impose on the property included in the district's
4-4 tax rolls a tax that is in proportion of the debt to the property
4-5 value.

4-6 (b) On the payment of all outstanding debts and obligations
4-7 of the district, the board shall order the secretary to return to
4-8 each district taxpayer the taxpayer's pro rata share of all unused
4-9 tax money.

4-10 (c) A taxpayer may request that the taxpayer's share of
4-11 surplus tax money be credited to the taxpayer's county taxes. If a
4-12 taxpayer requests the credit, the board shall direct the secretary
4-13 to transmit the money to the county tax assessor-collector.

4-14 Sec. 1094.407. REPORT; DISSOLUTION ORDER. (a) After the
4-15 district has paid all district debts and has disposed of all
4-16 district money and other assets as prescribed by this subchapter,
4-17 the board shall file a written report with the Commissioners Court
4-18 of Gaines County summarizing the board's actions in dissolving the
4-19 district.

4-20 (b) Not later than the 10th day after the date the
4-21 Commissioners Court of Gaines County receives the report and
4-22 determines that the requirements of this subchapter have been
4-23 fulfilled, the commissioners court shall enter an order dissolving
4-24 the district and releasing the board from any further duty or
4-25 obligation.

4-26 SECTION 16. (a) The election of the board of directors of
4-27 the Seminole Hospital District of Gaines County, Texas, scheduled
4-28 to be held in 2014 must be held. The directors elected to places 3
4-29 and 4 at the election shall serve two-year terms. A director
4-30 elected to an at-large position on the board at the election held in
4-31 2014 shall serve a three-year term.

4-32 (b) The election of the board of directors scheduled to be
4-33 held in 2015 must be held, and all directors elected at that
4-34 election shall serve three-year terms.

4-35 (c) The directors elected at the elections to be held in
4-36 2016, 2017, and 2018 shall serve three-year terms.

4-37 SECTION 17. (a) Except as provided by Subsection (b) of
4-38 this section:

4-39 (1) this Act takes effect immediately if it receives a
4-40 vote of two-thirds of all the members elected to each house, as
4-41 provided by Section 39, Article III, Texas Constitution; and

4-42 (2) if this Act does not receive the vote necessary for
4-43 immediate effect, this Act takes effect September 1, 2013.

4-44 (b) Section 1094.051, Special District Local Laws Code, as
4-45 amended by this Act, takes effect January 1, 2014.

4-46 * * * * *